



Dave Yost • Auditor of State



**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

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**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Austintown Township  
Mahoning County  
82 Ohltown Rd  
Austintown, Ohio 44515

To the Township Trustees:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Austintown Township, Mahoning County, Ohio (the Township), as of and for the year ended December 31, 2010, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with audit standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Austintown Township, Mahoning County, Ohio, as of December 31, 2010, and the respective changes in financial position, thereof and the respective budgetary comparison for the General, Road and Bridge, Police, and Fire Funds thereof for the year then ended in conformity with the basis of accounting Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2011, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include Management's discussion and analysis, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the Township's basic financial statements taken as a whole. The federal awards expenditure schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The federal awards expenditure schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



**Dave Yost**  
Auditor of State

September 9, 2011

Austintown Township  
Management's Discussion and Analysis  
For the Year Ended December 31, 2010  
Unaudited

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This discussion and analysis of the Austintown Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2010, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**Highlights**

Key highlights for 2010 are as follows:

Net assets of governmental activities increased \$141,024, or 8 percent. The funds most affected by the increase in cash and cash equivalents were the Motor Vehicle Fund and Police Fund.

The Township's general receipts are primarily property and intergovernmental. These receipts represent \$10,347,392 or 77 percent of the total cash received for the year. Property Tax and intergovernmental receipts for 2010 changed very little compared to 2009.

Net assets of business-type activity increased \$39,373, or 28 percent.

On January 1, 2009, Austintown became the fiduciary for the Mahoning Valley Law Enforcement Trust. Assets of this trust are reported with those of Austintown and were \$294,991 at the end of 2010.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

### **Reporting the Township as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2010, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental and business-type activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Townships general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property.

In the statement of net assets and the statement of activities, we divide the Township into two types of activities:

Governmental activities. Most of the Township's basic services are reported here, including police, fire, streets and parks. Property Taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-type activities. The Township maintains an office building that rents office space to private sector businesses. Profits from this activity benefit recreational activities of the Township.

### **Reporting the Township's Funds**

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are split into three categories: governmental, proprietary and fiduciary.

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Road and Bridge, Police, and Fire. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.



Austintown Township  
Management's Discussion and Analysis  
For the Year Ended December 31, 2010  
Unaudited

Proprietary Funds – When the Township charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Township has no enterprise funds. When the services are provided to other departments of the Township, the service is reported as an internal service fund. The Government has two internal service funds to account for Vehicle Maintenance and Communication (Dispatch).

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Township's programs.

**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2010 compared to 2009 on a cash basis:

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Assets</b>						
Cash and Cash Equivalents	\$1,947,697	\$1,805,848	\$180,796	\$141,423	\$2,128,493	\$1,947,271
Investments	3,033	3,033	0	0	3,033	3,033
Total Assets	\$1,950,730	\$1,808,881	\$180,796	\$141,423	\$2,131,526	\$1,950,304
<b>Net Assets</b>						
Restricted for:						
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0
Capital Outlay	14,924	38,904	0	0	14,924	38,904
Permanent Fund	4,451	4,366	0	0	4,451	4,366
Other Purposes	1,138,464	843,177	0	0	1,138,464	843,177
Unrestricted	792,891	922,434	180,796	141,423	973,687	1,063,857
Total Net Assets	\$1,950,730	\$1,808,881	\$180,796	\$141,423	\$2,131,526	\$1,950,304

As mentioned previously, net assets of governmental activities increased \$141,849, or 8 percent during 2009.

Table 2 reflects the changes in net assets on a cash basis in 2010.

Austintown Township  
Management's Discussion and Analysis  
For the Year Ended December 31, 2010  
Unaudited

	Governmental		Business-Type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
Receipts:						
Program Receipts:						
Charges for Services and Sales	\$477,247	\$424,643	\$153,845	\$298,031	\$631,092	\$722,674
Operating Grants and Contributions	2,292,628	2,619,121			2,292,628	2,619,121
Capital Grants and Contributions	341,889	209,478			341,889	209,478
Total Program Receipts	<u>3,111,764</u>	<u>3,253,242</u>	<u>153,845</u>	<u>298,031</u>	<u>3,265,609</u>	<u>3,551,273</u>
General Receipts:						
Property and Other Local Taxes	7,090,796	7,038,869			7,090,796	7,038,869
Other Taxes	266,524	211,585			266,524	211,585
Sale of Notes	500,000	600,000			500,000	600,000
Sale of Fixed Assets	56,875	16,154			56,875	16,154
Cable Franchise Fees	209,599	198,447			209,599	198,447
Grants and Entitlements Not Restricted to Specific Programs	1,605,755	1,691,021			1,605,755	1,691,021
Interest	5,631	18,480			5,631	18,480
Miscellaneous	612,212	112,531	100	41	612,312	112,572
Total General Receipts	<u>10,347,392</u>	<u>9,887,087</u>	<u>100</u>	<u>41</u>	<u>10,347,492</u>	<u>9,887,128</u>
Total Receipts	<u>13,459,156</u>	<u>13,140,329</u>	<u>153,945</u>	<u>298,072</u>	<u>13,613,101</u>	<u>13,438,401</u>
Disbursements:						
General Government	1,026,477	1,262,687			1,026,477	1,262,687
Public Safety	8,036,412	7,840,685			8,036,412	7,840,685
Public Works	2,020,032	1,889,522			2,020,032	1,889,522
Public Health Services	203,301	202,579			203,301	202,579
Leisure Time Activities	352,756	339,788			352,756	339,788
Other	1,878	9,524			1,878	9,524
Capital Outlay	1,169,266	881,237			1,169,266	881,237
Principal Retirement	500,000	600,000			500,000	600,000
Interest and Fiscal Charges	8,010	12,396			8,010	12,396
Other	0	0	114,572	416,941	114,572	416,941
Total Disbursements	<u>13,318,132</u>	<u>13,038,419</u>	<u>114,572</u>	<u>416,941</u>	<u>13,432,704</u>	<u>13,455,360</u>
Excess (Deficiency) Before Transfers	141,024	101,910	39,373	(118,869)	180,397	(16,959)
Transfers	0	(1,817)	0		0	(1,817)
Increase (Decrease) in Net Assets	<u>141,024</u>	<u>100,093</u>	<u>39,373</u>	<u>(118,869)</u>	<u>180,397</u>	<u>(18,776)</u>
Net Assets, January 1,	1,809,706	1,708,788	141,423	260,292	1,951,129	1,969,080
Net Assets, December 31,	<u>\$1,950,730</u>	<u>\$1,808,881</u>	<u>\$180,796</u>	<u>\$141,423</u>	<u>\$2,131,526</u>	<u>\$1,950,304</u>

Austintown Township  
Management's Discussion and Analysis  
For the Year Ended December 31, 2010  
Unaudited

Program receipts represent 23 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees and charges for use of contracted police service, such as for crowd control or use of cruisers in traffic control.

General receipts represent 77 percent of the Township's total receipts, and of this amount, 69 percent are local taxes. State and federal grants and entitlements make up the balance of the Township's general receipts (16 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of most of the Trustees and Fiscal Officer, as well as building and cemetery upkeep.

Public Safety costs are the costs associated with maintaining and operating the Police, Fire and Communication Departments. Public Works are the costs of maintaining the Township Roads and Storm Water Systems. Public Health Services is mainly the County Health Department; Leisure Time Activities are the costs of maintaining the parks and playing fields.

**Governmental Activities**

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Safety and Public Works account for 60 and 15 percent of all governmental disbursements, respectively. General government also represents a significant cost, about 8 percent. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

	Total Cost of Services 2010	Net Cost of Services 2010	Total Cost of Services 2009	Net Cost of Services 2009
General Government	\$1,026,477	\$848,706	\$1,262,687	\$1,106,235
Public Safety	\$8,036,412	\$6,271,499	\$7,840,685	\$5,821,226
Public Works	\$2,020,032	\$984,435	\$1,889,522	\$993,636
Public Health Services	203,301	178,181	202,579	172,721
Leisure Time Activities	352,756	244,393	339,788	188,203
Other	1,878	1,878	9,524	9,524
Capital Outlay	1,169,266	1,169,266	881,237	881,237
Principal Retirement	500,000	500,000	600,000	600,000
Interest and Fiscal Charges	8,010	8,010	12,396	12,396
<b>Total Expenses</b>	<b>\$13,318,132</b>	<b>\$10,206,368</b>	<b>\$13,038,418</b>	<b>\$9,785,178</b>

The dependence upon property and intergovernmental receipts is apparent as over 65 percent of governmental activities are supported through these general receipts.

Austintown Township  
Management's Discussion and Analysis  
For the Year Ended December 31, 2010  
Unaudited

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**The Township's Funds**

Total governmental funds had receipts of \$13,459,156 and disbursements of \$13,318,132. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund decreased \$129,543.

**General Fund Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2010, the Township amended its General Fund budget several times to reflect changing circumstances. The difference between final budgeted receipts and actual receipts was not significant.

Receipts were budgeted at \$2,514,269; actual receipts were \$3,006,251 for a positive variance of \$491,982. Disbursements were budgeted at \$999,509 while actual disbursements were \$913,696 for a positive variance of \$85,813 giving a net positive variance of \$577,795.

**Capital Assets and Debt Administration**

**Capital Assets**

The Township does not currently keep track of its capital assets and infrastructure, other than an annual inventory valuation of assets.

**Debt**

At December 31, 2010, the Township had the following outstanding debt:

Park	\$390
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**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Michael J. Kurish, Fiscal Officer, Austintown Township, 82 Ohltown Road, Austintown, Ohio 44515.

**AUSTINTOWN TOWNSHIP, MAHONING COUNTY**

*Statement of Net Assets - Cash Basis*

*December 31, 2010*

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	<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 1,947,697	\$ 180,796	\$ 2,128,493
Investments	3,033	-	3,033
<i>Total Assets</i>	<u>\$ 1,950,730</u>	<u>\$ 180,796</u>	<u>\$ 2,131,526</u>
<b>Net Assets</b>			
Restricted for:			
Capital Projects	\$ 14,924	\$ -	\$ 14,924
Expendable	1,418	-	1,418
Nonexpendable	3,033	-	3,033
Other Purposes	1,138,464	-	1,138,464
Unrestricted	792,891	180,796	973,687
<i>Total Net Assets</i>	<u>\$ 1,950,730</u>	<u>\$ 180,796</u>	<u>\$ 2,131,526</u>

See accompanying notes to the basic financial statements

**AUSTINTOWN TOWNSHIP, MAHONING COUNTY**

*Statement of Activities - Cash Basis  
For the Year Ended December 31, 2010*

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets		
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
General Government	\$ 1,026,477	\$ 124,467	\$ 53,304	\$ -	\$ (848,706)	\$ -	\$ (848,706)
Public Safety	8,036,412	152,571	1,612,342	-	(6,271,499)	-	(6,271,499)
Public Works	2,020,032	113,456	580,252	341,889	(984,435)	-	(984,435)
Health	203,301	25,036	84	-	(178,181)	-	(178,181)
Conservation-Recreation	352,756	61,717	46,646	-	(244,393)	-	(244,393)
Other	1,878	-	-	-	(1,878)	-	(1,878)
Capital Outlay	1,169,266	-	-	-	(1,169,266)	-	(1,169,266)
Debt Service:							
Principal	500,000	-	-	-	(500,000)	-	(500,000)
Interest	8,010	-	-	-	(8,010)	-	(8,010)
<i>Total Governmental Activities</i>	<u>13,318,132</u>	<u>477,247</u>	<u>2,292,628</u>	<u>341,889</u>	<u>(10,206,368)</u>	<u>-</u>	<u>(10,206,368)</u>
<b>Business Type Activities</b>							
Westchester Building	114,572	153,845	-	-	-	39,273	39,273
<i>Total Business Type Activities</i>	<u>114,572</u>	<u>153,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,273</u>	<u>39,273</u>
<i>Total Primary Government</i>	<u>\$ 13,432,704</u>	<u>\$ 631,092</u>	<u>\$ 2,292,628</u>	<u>\$ 341,889</u>	<u>\$ (10,206,368)</u>	<u>\$ 39,273</u>	<u>\$ (10,167,095)</u>
<b>General Receipts</b>							
Property Taxes					\$ 7,090,796	\$ -	\$ 7,090,796
Other Taxes					266,524	-	266,524
Grants and Entitlements not Restricted to Specific Programs					1,605,755	-	1,605,755
Sale of Bonds					-	-	-
Sale of Notes					500,000	-	500,000
Other Debt Proceeds					-	-	-
Discounts, Premiums and Accrued Interest on Debt					-	-	-
Sale of Fixed Assets					56,875	-	56,875
Cable Franchise Fees					209,599	-	209,599
Earnings on Investments					5,631	-	5,631
Miscellaneous					612,212	100	612,312
<i>Total General Receipts</i>					<u>10,347,392</u>	<u>100</u>	<u>10,347,492</u>
Contributions to a Permanent Fund					-	-	-
Special Items					-	-	-
Extraordinary Items					-	-	-
Transfers					-	-	-
Advances					-	-	-
<i>Total General Receipts, Special &amp; Extraordinary Items, Transfers and Advances</i>					<u>10,347,392</u>	<u>100</u>	<u>10,347,492</u>
Change in Net Assets					141,024	39,373	180,397
<i>Net Assets Beginning of Year</i>					<u>1,809,706</u>	<u>141,423</u>	<u>1,951,129</u>
<i>Net Assets End of Year</i>					<u>\$ 1,950,730</u>	<u>\$ 180,796</u>	<u>\$ 2,131,526</u>

See accompanying notes to the basic financial statements

**AUSTINTOWN TOWNSHIP, MAHONING COUNTY**

*Statement of Cash Basis Assets and Fund Balances*

*Governmental Funds*

*December 31, 2010*

	GENERAL	ROAD AND BRIDGE	POLICE DISTRICT	FIRE DISTRICT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$792,891	\$159,345	\$280,671	\$74,262	\$579,640	\$1,886,809
Investments	-	-	-	-	3,032	3,032
<i>Total Assets</i>	<u>\$792,891</u>	<u>\$159,345</u>	<u>\$280,671</u>	<u>\$74,262</u>	<u>\$582,672</u>	<u>\$1,889,841</u>
<b>Fund Balances</b>						
Reserved:						
Reserved for Encumbrances	\$28,414	\$6,820	\$22,367	\$11,971	\$14,676	\$84,248
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	764,477	-	-	-	-	764,477
Special Revenue Funds	-	152,525.00	258,304	62,291	549,034	1,022,154
Capital Projects Funds	-	-	-	-	14,511	14,511
Permanent Fund	-	-	-	-	4,451	4,451
<i>Total Fund Balances</i>	<u>\$792,891</u>	<u>\$159,345</u>	<u>\$280,671</u>	<u>\$74,262</u>	<u>\$582,672</u>	<u>\$1,889,841</u>

See accompanying notes to the basic financial statements

**AUSTINTOWN TOWNSHIP, MAHONING COUNTY**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2010*

	GENERAL	ROAD AND BRIDGE	POLICE DISTRICT	FIRE DISTRICT	OTHER GOVERNMENTAL FUNDS	TOTAL
<b>Receipts</b>						
Property and Other Local Taxes	\$ 835,680	\$ 1,128,042	\$ 3,426,976	\$ 1,690,396	\$ 276,226	\$ 7,357,320
Licenses, Permits and Fees	213,618	-	3,177	3,659	88,889.0	309,343
Fines and Forfeitures	28,760	-	1,622	-	170,709.0	201,091
Intergovernmental	1,450,156	191,846	589,374	266,094	1,671,054.0	4,168,524
Special Assessments	-	-	-	-	113,356.0	113,356
Earnings on Investments	5,269	-	-	-	651.0	5,920
Miscellaneous	472,768	35,441	79,961	52,434	95,706.0	736,310
<b>Total Receipts</b>	<b>3,006,251</b>	<b>1,355,329</b>	<b>4,101,110</b>	<b>2,012,583</b>	<b>2,416,591.0</b>	<b>12,891,864.00</b>
<b>Disbursements</b>						
Current:						
General Government	683,700	-	-	-	196,088	879,788
Public Safety	-	-	4,689,868	2,566,997	832,303	8,089,168
Public Works	-	1,629,188	-	-	471,868	2,101,056
Health	190,260	-	-	-	13,040	203,300
Conservation-Recreation	5,000	-	-	-	351,144	356,144
Capital Outlay	6,322	143,470	62,140	146,921	810,414	1,169,267
Debt Service:						
Principal Retirement	-	-	300,000	200,000	-	500,000
Interest and Fiscal Charges	-	-	4,806	3,204	-	8,010
<b>Total Disbursements</b>	<b>885,282</b>	<b>1,772,658</b>	<b>5,056,814</b>	<b>2,917,122</b>	<b>2,674,857</b>	<b>13,306,733</b>
<b>Excess of Receipts Over (Under) Disbursements</b>	<b>2,120,969</b>	<b>(417,329)</b>	<b>(955,704)</b>	<b>(904,539)</b>	<b>(258,266)</b>	<b>(414,869)</b>
Other Financing Sources (Uses)						
Sale of Notes	-	-	300,000	200,000	-	500,000
Sale of Fixed Assets	1	410	12,192	18,962	25,310	56,875
Transfers In	-	475,000	900,000	690,000	171,468	2,236,468
Transfers Out	(2,236,468)	-	-	-	-	(2,236,468)
Advances In	2,393,120	350,000	950,000	550,000	261,004	4,504,124
Advances Out	(2,407,165)	(350,000)	(950,000)	(550,000)	(246,959)	(4,504,124)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,250,512)</b>	<b>475,410</b>	<b>1,212,192</b>	<b>908,962</b>	<b>210,823</b>	<b>556,875</b>
<b>Net Change in Fund Balances</b>	<b>(129,543)</b>	<b>58,081</b>	<b>256,488</b>	<b>4,423</b>	<b>(47,443)</b>	<b>142,006</b>
<b>Fund Balances Beginning of Year</b>	<b>922,434</b>	<b>101,264</b>	<b>24,183</b>	<b>69,839</b>	<b>630,115</b>	<b>1,747,835</b>
<b>Fund Balances End of Year</b>	<b>\$ 792,891</b>	<b>\$ 159,345</b>	<b>\$ 280,671</b>	<b>\$ 74,262</b>	<b>\$ 582,672</b>	<b>\$ 1,889,841</b>

See accompanying notes to the basic financial statements



**AUSTINTOWN TOWNSHIP, MAHONING COUNTY**

*Statement of Receipts, Disbursements and Changes*

*In Fund Balance - Budget and Actual -Budget Basis*

*General Fund*

*For the Year Ended December 31, 2010*

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 762,360	\$ 762,360	\$ 835,680	\$ 73,320
Licenses, Permits and Fees	215,050	215,050	213,618	(1,432)
Fines and Forfeitures	18,000	18,000	28,760	10,760
Intergovernmental	1,049,859	1,049,859	1,450,156	400,297
Special Assessments	-	-	-	-
Earnings on Investments	10,000	10,000	5,269	(4,731)
Miscellaneous	459,000	459,000	472,768	13,768
				-
<i>Total receipts</i>	<u>2,514,269</u>	<u>2,514,269</u>	<u>3,006,251</u>	<u>491,982</u>
<b>Disbursements</b>				
Current:				
General Government	777,656	780,062	712,113	67,949
Public Safety	5,000	5,000	-	5,000
Health	190,000	190,261	190,261	-
Conservation-Recreation	15,000	5,000	5,000	-
Capital Outlay	7,500	19,186	6,322	12,864
<i>Total Disbursements</i>	<u>995,156</u>	<u>999,509</u>	<u>913,696</u>	<u>85,813</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,519,113.00</u>	<u>1,514,760.00</u>	<u>2,092,555.00</u>	<u>406,169.00</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Fixed Assets	-	-	1	1
Transfers Out	(2,323,657)	(2,319,304)	(2,236,468)	82,836
Advances In	-	-	2,393,120	2,393,120
Advances Out	-	-	(2,407,165)	(2,407,165)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,323,657)</u>	<u>(2,319,304)</u>	<u>(2,250,512)</u>	<u>68,792</u>
<i>Net Change in Fund Balance</i>	<u>(804,544)</u>	<u>(804,544)</u>	<u>(157,957)</u>	<u>474,961</u>
<i>Unencumbered Cash Balance Beginning of Year</i>	<u>900,316</u>	<u>900,316</u>	<u>900,316</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>22,118</u>	<u>22,118</u>	<u>22,118</u>	<u>0</u>
<i>Unencumbered Cash Balance End of Year</i>	<u>\$117,890.00</u>	<u>\$117,890.00</u>	<u>\$764,477.00</u>	<u>\$474,961.00</u>

See accompanying notes to the basic financial statements

**AUSTINTOWN TOWNSHIP, MAHONING COUNTY**

*Statement of Receipts, Disbursements and Changes*

*In Fund Balance - Budget and Actual -Budget Basis*

*Road and Bridge Fund*

*For the Year Ended December 31, 2010*

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 1,100,806	\$ 1,100,806	\$ 1,128,042	\$ 27,236
Intergovernmental	151,564	151,564	191,846	40,282
Miscellaneous	12,100	12,100	35,441	23,341
<i>Total receipts</i>	<u>1,264,470</u>	<u>1,264,470</u>	<u>1,355,329</u>	<u>90,859</u>
<b>Disbursements</b>				
Current:				
Public Works	1,594,370	1,672,400	1,636,007	36,393
Capital Outlay	221,500	143,470	143,470	-
<i>Total Disbursements</i>	<u>1,815,870</u>	<u>1,815,870</u>	<u>1,779,477</u>	<u>36,393</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(551,400.00)</u>	<u>(551,400.00)</u>	<u>(424,148.00)</u>	<u>127,252</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Fixed Assets	-	-	410	410
Transfers In	475,000	475,000	475,000	-
Advances In	-	-	350,000	350,000
Advances Out	-	-	(350,000)	(350,000)
<i>Total Other Financing Sources (Uses)</i>	<u>475,000</u>	<u>475,000</u>	<u>475,410</u>	<u>410</u>
<i>Net Change in Fund Balance</i>	(76,400)	(76,400)	51,262	127,662
<i>Unencumbered Cash Balance Beginning of Year</i>	97,973	97,973	97,973	-
Prior Year Encumbrances Appropriated	<u>3,291</u>	<u>3,291</u>	<u>3,291</u>	-
<i>Unencumbered Cash Balance End of Year</i>	<u>\$ 24,864</u>	<u>\$ 24,864</u>	<u>\$ 152,526</u>	<u>\$ 127,662</u>
<i>Unencumbered Undesignated Fund Balance</i>			<u>\$ 152,526</u>	

See accompanying notes to the basic financial statements

**AUSTINTOWN TOWNSHIP, MAHONING COUNTY**

*Statement of Receipts, Disbursements and Changes*

*In Fund Balance - Budget and Actual -Budget Basis*

*Police Fund*

*For the Year Ended December 31, 2010*

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 3,409,810	\$ 3,409,810	\$ 3,426,976	\$ 17,166
Licenses, Permits and Fees	3,500	3,500	3,177	(323)
Fines and Forfeitures	200	200	1,622	1,422
Intergovernmental	533,236	533,236	589,374	56,138
Miscellaneous	32,250	32,250	79,961	47,711
<i>Total receipts</i>	<u>3,978,996</u>	<u>3,978,996</u>	<u>4,101,110</u>	<u>122,114</u>
<b>Disbursements</b>				
Current:				
Public Safety	4,853,171	4,801,465	4,712,236	89,229
Capital Outlay	59,000	110,706	62,140	48,566
Debt Service:				
Principal Retirement	300,000	300,000	300,000	-
Interest and Fiscal Charges	6,499	6,499	4,805	1,694
<i>Total Disbursements</i>	<u>5,218,670</u>	<u>5,218,670</u>	<u>5,079,181</u>	<u>139,489</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,239,674)</u>	<u>(1,239,674)</u>	<u>(978,071)</u>	<u>261,603</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Notes	300,000	300,000	300,000	-
Sale of Fixed Assets	-	-	12,192	12,192
Transfers In	945,000	945,000	900,000	(45,000)
Advances In	-	-	950,000	950,000
Advances Out	-	-	(950,000)	(950,000)
<i>Total Other Financing Sources (Uses)</i>	<u>1,245,000</u>	<u>1,245,000</u>	<u>1,212,192</u>	<u>(32,808)</u>
<i>Net Change in Fund Balance</i>	5,326	5,326	234,121	228,795
<i>Unencumbered Cash Balance Beginning of Year</i>	12,792	12,792	12,792	-
<i>Prior Year Encumbrances Appropriated</i>	<u>11,390</u>	<u>11,390</u>	<u>11,390</u>	<u>-</u>
<i>Unencumbered Cash Balance End of Year</i>	<u>\$ 29,508</u>	<u>\$ 29,508</u>	<u>\$ 258,303</u>	<u>\$ 228,795</u>
<i>Unencumbered Undesignated Fund Balance</i>			<u>\$ 258,303</u>	

See accompanying notes to the basic financial statements

**AUSTINTOWN TOWNSHIP, MAHONING COUNTY**

*Statement of Receipts, Disbursements and Changes*

*In Fund Balance - Budget and Actual -Budget Basis*

*Fire Fund*

*For the Year Ended December 31, 2010*

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 1,677,226	\$ 1,690,196	\$ 1,690,396	\$ 200
Licenses, Permits and Fees	9,000	9,000	3,660	(5,340)
Fines and Forfeitures	139,251	-	-	-
Intergovernmental	576,477	278,132	266,094	(12,038)
Miscellaneous	11,510	54,217	52,433	(1,784)
<i>Total receipts</i>	<u>2,413,464</u>	<u>2,031,545</u>	<u>2,012,583</u>	<u>(18,962)</u>
<b>Disbursements</b>				
Current:				
Public Safety	2,656,228	2,625,055	2,578,969	46,086
Capital Outlay	494,173	146,921	146,921	-
Debt Service:				
Principal Retirement	200,000	200,000	200,000	-
Interest and Fiscal Charges	4,500	3,203	3,203	-
<i>Total Disbursements</i>	<u>3,354,901</u>	<u>2,975,179</u>	<u>2,929,093</u>	<u>46,086</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(941,437)</u>	<u>(943,634)</u>	<u>(916,510)</u>	<u>27,124</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Notes	890,000	200,000	200,000	-
Sale of Fixed Assets	-	-	18,962	18,962
Transfers In	-	690,000	690,000	-
Advances In	-	-	550,000	550,000
Advances Out	-	-	(550,000)	(550,000)
<i>Total Other Financing Sources (Uses)</i>	<u>890,000</u>	<u>890,000</u>	<u>908,962</u>	<u>18,962</u>
<i>Net Change in Fund Balance</i>	<u>(51,437)</u>	<u>(53,634)</u>	<u>(7,548)</u>	<u>46,086</u>
<i>Unencumbered Cash Balance Beginning of Year</i>	<u>62,911</u>	<u>62,911</u>	<u>62,911</u>	<u>-</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>6,928</u>	<u>6,928</u>	<u>6,928</u>	<u>-</u>
<i>Unencumbered Cash Balance End of Year</i>	<u>\$ 18,402</u>	<u>\$ 16,205</u>	<u>\$ 62,291</u>	<u>\$ 46,086</u>
<i>Unencumbered Undesignated Fund Balance</i>			<u>\$ 62,291</u>	

See accompanying notes to the basic financial statements

**AUSTINTOWN TOWNSHIP, MAHONING COUNTY**

*Statement of Fund Net Assets - Cash Basis*

*Proprietary Funds*

*December 31, 2010*

	WESTCHESTER BUILDING FUND	INTERNAL SERVICE FUND
	<u>                    </u>	<u>                    </u>
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 180,796	\$ 60,889
<i>Total Assets</i>	<u>\$ 180,796</u>	<u>\$ 60,889</u>
<b>Net Assets</b>		
Restricted for:		
Other Purposes	-	\$ 60,889
Unrestricted	<u>\$ 180,796</u>	<u>-</u>
<i>Total Net Assets</i>	<u>\$ 180,796</u>	<u>\$ 60,889</u>

See accompanying notes to the basic financial statements

**AUSTINTOWN TOWNSHIP, MAHONING COUNTY**

*Statement of Cash Receipts,*

*Disbursements and Changes in Fund Net Assets - Cash Basis*

*Proprietary Funds*

*For the Year Ended December 31, 2010*

	WESTCHESTER BUILDING FUND	INTERNAL SERVICE FUND
	<u>                    </u>	<u>                    </u>
<b>Operating Receipts</b>		
Other Operating Receipts	\$153,845	\$709,097
	<u>                    </u>	<u>                    </u>
<i>Total Operating Receipts</i>	153,845	709,097
	<u>                    </u>	<u>                    </u>
<b>Operating Disbursements</b>		
Salaries	-	466,847
Employee Fringe Benefits	-	203,285
Purchased Services	42,509	43,274
Supplies and Materials	-	5,896
Other	14,015	1,194
	<u>                    </u>	<u>                    </u>
<i>Total Operating Disbursements</i>	56,524	720,496
	<u>                    </u>	<u>                    </u>
<i>Operating Income (Loss)</i>	97,321	(11,399)
	<u>                    </u>	<u>                    </u>
<b>Non-Operating Receipts (Disbursements)</b>		
Intergovernmental	-	1,381
Miscellaneous Receipts	100	9,036
Capital Outlay	(58,048)	-
	<u>                    </u>	<u>                    </u>
<i>Total Non-Operating Receipts (Disbursements)</i>	(57,948)	10,417
	<u>                    </u>	<u>                    </u>
<i>Income (Loss) before Transfers and Advances</i>	39,373	(982)
	<u>                    </u>	<u>                    </u>
Advances In	-	295,161
Advances Out	-	(295,161)
	<u>                    </u>	<u>                    </u>
<i>Change in Net Assets</i>	39,373	(982)
	<u>                    </u>	<u>                    </u>
<i>Net Assets Beginning of Year</i>	141,423	61,871
	<u>                    </u>	<u>                    </u>
<i>Net Assets End of Year</i>	\$ 180,796	\$ 60,889
	<u>                    </u>	<u>                    </u>

See accompanying notes to the basic financial statements

**AUSTINTOWN TOWNSHIP, MAHONING COUNTY**

*Statement of Fiduciary Net Assets - Cash Basis*

*Fiduciary Funds*

*December 31, 2010*

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	<u>Agency</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 102,340
<i>Total Assets</i>	<u>\$ 102,340</u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	<u>\$ 102,340</u>
<i>Total Net Assets</i>	<u>\$ 102,340</u>

See accompanying notes to the basic financial statements

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**Note 1 – Reporting Entity**

The Austintown Township, Mahoning County, Ohio (the Township), is a body politic and corporate established in 1823 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

**A. Primary Government**

The primary government consists of all funds and departments that are not legally separate from the Township. The Township provides general government services, maintenance of township roads and bridges, Police and Fire protection, Park and Recreation, Zoning and Cemetery maintenance.

**B. Component Units**

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

The Township has no component units.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Township does not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise funds. Following are the more significant of the Township's accounting policies.

**A. Basis of Presentation**

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Note 2 – Summary of Significant Accounting Policies** (continued)

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” receipts and disbursements. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net assets presents the cash and investment balances, of the governmental and business-type activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The proprietary fund statements report all other receipts and disbursements as nonoperating.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into three categories, governmental, proprietary and fiduciary.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. Monies are assigned to the various governmental funds according to the purpose for which they may or must be used. The following are the Townships major governmental funds:

**General Fund** - The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Note 2 – Summary of Significant Accounting Policies** (continued)

**Road Fund** – This fund receives property tax money for constructing, maintaining and repairing Township roads.

**Police District** – This fund receives property tax money to provide police protection for Township residents.

**Fire District** - This fund receives property tax money to provide fire protection for Township residents.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

**Proprietary Funds**

The Township classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise or internal service.

**Enterprise Funds** - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Township has one enterprise fund. The Westchester Building Fund collects rental income from the building to be used for Parks and Recreation.

**Internal Service Fund** - Internal service funds account for services provided by one department of the Township to another on a cost-reimbursement basis. The Township's internal service fund accounts are for Maintenance (Vehicle) and Communication (Fire and Police).

**Fiduciary Funds**

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs. The Township's agency fund accounts for Unclaimed Funds and Employee's contributions to their flexibility spending accounts.

**C. Basis of Accounting**

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

**D. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

**Note 2 – Summary of Significant Accounting Policies** (continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

**E. Cash and Investments**

Township records identify the purchase of specific investments by specific funds.

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2010, the Township invested in nonnegotiable certificates of deposit, checking accounts and an associated sweep account. The nonnegotiable certificates of deposit are reported at cost.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2010 was \$5,269.

**F. Restricted Assets**

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent Capital Projects, Debt Service, Cemetery Maintenance and Other Purposes.

**G. Inventory and Prepaid Items**

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**H. Capital Assets**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**Note 2 – Summary of Significant Accounting Policies** (continued)

**I. Interfund Receivables/Payables**

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

**J. Accumulated Leave**

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

**K. Employer Contributions to Cost-Sharing Pension Plans**

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**L. Long-Term Obligations**

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor capital outlay expenditure are reported at inception. Lease payments are reported when paid.

**M. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for Gasoline Tax. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**N. Interfund Transactions**

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is and any major special revenue fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at yearend (budgetary basis) amounted to \$28,414 for the General Fund and \$41,158 for major special revenue funds.

Austintown Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2010

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**Note 4 – Prior Period Restatement**

The Township voided checks that were outstanding for an extended period of time.

<b>2010</b>	<b>Special Revenue Fund</b>
Fund Cash Balances, December 31, 2009 (Before Adjustment)	\$ 1,808,881
Adjustment made by Township	\$ 825
Fund Cash Balances, January 1, 2010 (After Adjustment)	\$ 1,809,706

**Note 5 – Deposits and Investments**

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

**Note 5 - Deposits and Investments** (continued)

7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

**Deposits**

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, \$1,730,833 of the Township's bank balance of \$2,230,833 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**Note 6 – Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2010 represent the collection of 2009 taxes. Real property taxes received in 2010 were levied after October 1, 2009, on the assessed values as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2010 represent the collection of 2009 taxes. Public utility real and tangible personal property taxes received in 2010 became a lien on December 31, 2009, were levied after October 1, 2009, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2010 (other than public utility property) represent the collection of 2009 taxes. Tangible personal property taxes received in 2010 were levied after October 1, 2009, on the true value as of December 31, 2009.

Austintown Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2010

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**Note 6 – Property Taxes** (continued)

The full tax rate for all Township operations for the year ended December 31, 2010, was \$18.10 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2010 property tax receipts were based are as follows:

Real Property	
Residential & Agricultural	\$450,114,350
Commercial/Industrial/Mineral	154,617,810
Tangible Personal Property	527,940
Public Utility	11,696,970
Total Assessed Value	<u>\$616,957,070</u>

**Note 7 – Risk Management**

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2010, OTARMA retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA's financial statements (audited by other accountants) conform to generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2010:

	<u>2010</u>
Assets	\$35,855,252
Liabilities	<u>(\$10,664,724)</u>
Retained earnings	<u>\$25,190,528</u>



Austintown Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2010

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At December 31, 2010 the liabilities above include approximately \$9.9 million of estimated incurred claims payable. The assets above also include approximately \$9.5 and \$11.5 million of unpaid claims to be billed to approximately 940 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2010, the Township's share of these unpaid claims collectible in future years is approximately \$42,423.

After completing one year of membership, members may withdraw on each anniversary date they joined OTARMA. They must provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to withdrawal. Withdrawing members have no other future obligation to the pool.

Based on discussions with OTARMA the expected rates charged by OTARMA to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Year</u>	<u>Contribution</u>
2010	\$57,329
2009	\$50,380
2008	\$55,920

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**Note 8 – Defined Benefit Pension Plan**

**A. Ohio Public Employees Retirement System**

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administer three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provide retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

**Note 8 – Defined Benefit Pension Plan** (continued)

For the year ended December 31, 2010, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10.00 percent of their annual covered salaries. Members participating in the traditional plan that were in law enforcement contributed 10.10 percent of their annual covered salary. The Township's contribution rate for pension benefits for 2010 was 14.00 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 17.87 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2010, 2009, and 2008 were \$1,148,282, \$1,138,344 and \$1,069,194 respectively. The full amount has been contributed for 2010, 2009 and 2008. Contributions to the member-directed plan for 2010 were \$112,001 made by the Township and \$360,489 made by the plan members.

**B. Ohio Police and Fire Pension Fund**

The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.00 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 19.50 percent for police and 24.00 percent for firefighters. Contributions are authorized by State statute. The Township's contributions to the Fund for police and firefighters were \$263,054 for the year ended December 31, 2010; \$261,183 for the year ended December 31, 2009 and \$263,550 for the year ended December 31, 2008. The full amount has been contributed for 2010, 2009 and 2008.

**Note 9 - Post employment Benefits**

**A. Ohio Public Employees Retirement System**

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are provided separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222 – 7377.

Funding Policy – The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employer's fund post employment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare.

**Note 9 - Post employment Benefits** (continued)

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2010, local government employers contributed 14.00 percent of covered payroll (17.87 percent for public safety and law enforcement). Each year, The OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits. The amount of employer contributions allocated to fund postemployment healthcare was 5.00 percent for January 1 through December 31, 2010.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

The Township's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2010, 2009 and 2008 were \$34,613, \$42,416 and \$45,724 respectively; 100 percent has been contributed for 2010, 2009 and 2008.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) which was effective January 1, 2007. Member and/or employer contribution rates increased as of January 1, 2007, January 1, 2008, January 1, 2009 and January 1, 2010 which allowed additional funds to be allocated to the healthcare plan.

**B. Ohio Police and Fire Pension Fund**

Plan Description – The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium reimbursement and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit or is a spouse or eligible dependent child of such person.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority of the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5146.

Funding Policy – OP&F's postemployment healthcare plan was established and is administered as an Internal Revenue Code 401 (h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan, members, currently, 24.00 percent of covered payroll for fire employers.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan, to the 401 (h) account as contributions for retiree healthcare benefits. For the year ended December 31, 2010, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401 (h).

Austintown Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2010

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**Note 9 - Post employment Benefits** (continued)

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the OPEB Plan.

The Township's contributions to OP&F allocated to fund post-employment healthcare benefits for firefighters were \$17,630 for the year ended December 31, 2009; \$28,936 for the year ended December 31, 2008 and \$26,719 for the year ended December 31, 2007. The 2010 OP&F annual report is not available for any updated information. The full amount has been contributed for 2010, 2009, and 2008.

**Note 10 - Notes Payable**

A summary of the note transactions for the year ended December 31, 2010, follows:

	Interest Rate	Balance December 31, 2009	Additions	Reductions	Balance December 31, 2010
<u>Governmental Activities</u>					
2006 Issue	0.000%	\$1,951		\$1,561	\$390
2010 Issue	3.950%		\$500,000	\$500,000	\$0
		<u>\$1,951</u>	<u>\$500,000</u>	<u>\$501,561</u>	<u>\$390</u>

Notes were issues to allow the Township to meet cash flow shortages caused by the timing of property tax collection.

**Note 11 – Interfund Transfers**

During 2010 the following transfers were made:

Transfers from the General Fund to:	
Major Governmental Fund	\$2,065,000 \$171,469
Total Transfers from the General Fund	<u>\$2,236,469</u>

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2010**

<b>FEDERAL GRANTOR Pass Through Grantor Program Title</b>	<b>Pass Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Disbursements</b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
SAFER	EMW-2005-FF-02117	97.083	
ARRA - Assistance to Firefighters Grant	EMW-2009-FC-04732R	97.115	\$87,023
Total U.S. Department of Homeland Security			<b>87,023</b>
<b>U.S. DEPARTMENT OF JUSTICE Passed Through Ohio Department of Public Safety -Office of Criminal Justice Services</b>			
Edward J Byrne Grant			
Byrne Memorial JAG	2009-JG-A02-6690	16.738	27,825
Byrne Memorial JAG	2009-JG-A02-6736	16.738	29,929
Byrne Memorial JAG	2009-JG -A02-6737	16.738	12,775
Byrne Memorial JAG	2008-JG-A01-6442	16.738	104,499
Byrne Congressional Award	2008-DD-BX-0265	16.738	125,610
ARRA - Byrne Memeorial JAG	2009-RA-A02-2321	16.803	147,107
Total Edward J Byrne Grant			447,745
Federal Equitable Sharing			
Federal Equitable Sharing - MVLETF		No CFDA	42,193
Federal Equitable Sharing - Austintown Police		No CFDA	4,998
Total Federal Equitable Sharing			47,191
Total U.S. Department of Justice			<b>494,936</b>
<b>Executive Office of the President - Office of National Drug Control Policy Direct Program:</b>			
High Intensity Drug Trafficking Area – Ohio		No CFDA	<b>40,684</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION Passed Through Ohio Department of Transportation</b>			
ARRA - Highway Planning and Construction		20.205	
<b>Total</b>			<b>\$622,643</b>

The accompanying notes are an integral part of this schedule.

**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
DECEMBER 31, 2010**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports Austintown Township's federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

**NOTE B - MATCHING REQUIREMENTS**

Certain Federal programs require the Township to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Township has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Austintown Township  
Mahoning County  
82 Ohltown Rd  
Austintown, Ohio 44515

To the Township Trustees:

We have audited the financial statements of the governmental activities, the business-type activities, the major funds, and the aggregate remaining fund information of the Austintown Township, Mahoning County, (the Township) as of and for the year ended December 31, 2010, which collectively comprise the Township's basic financial statements and have issued our report thereon dated September 9, 2011. We noted the Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Voinovich Government Center / 242 Federal Plaza W. / Suite 302 / Youngstown, OH 44503-1293  
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[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

### **Compliance and Other Matters**

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the audit committee, management, Township Trustees, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

**Dave Yost**  
Auditor of State

September 9, 2011





# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Austintown Township  
Mahoning County  
82 Ohltown Rd  
Austintown, Ohio 44515

To the Board of Education:

### Compliance

We have audited the compliance of the Austintown Township, Mahoning County, (the Township), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the Township's major federal programs. The Township's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to the major federal programs. Our responsibility is to express an opinion on the Township's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on the major federal programs. An audit includes examining, on a test basis, evidence about Austintown Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Austintown Township's compliance with those requirements.

In our opinion Austintown Township complied, in all material respects, with the requirements referred to that could directly and materially affect its major federal programs for the year ended December 31, 2010.

### Internal Control Over Compliance

The Township's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Township's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Township's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we noted a matter involving internal control over federal compliance not requiring inclusion in this report, that we reported to the Township's management in a separate letter dated September 9, 2011.

We intend this report solely for the information and use of management, the audit committee, Board of Trustees, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Dave Yost**  
Auditor of State

September 9, 2011

**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2010**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Byrne Memorial Grant/16.738 ARRA Byrne Grant/16.803
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

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**AUSTINTOWN TOWNSHIP**

**MAHONING COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 29, 2011**